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# *Instructions For Reporting State-Assessed Property*

*Telephone Companies—  
Wireless*

*Lien Date 2003*

*December 2002*

*Publication 67WT • LDA*

## ***Foreword***

The State Board of Equalization is required, under the provisions of section 19 of Article XIII of the Constitution, to assess annually all property, other than franchises, owned or used by telephone companies. These instructions are for the direction of those persons responsible for reporting such property.

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# ***I. Property Statement***

## **A. General**

A sworn property statement shall be filed annually with the State Board of Equalization by each person, corporation, or other entity owning, claiming, possessing, using, controlling, or managing any state-assessed property.

This statement shall consist of:

1. Declaration of Costs and Other Related Property Information
2. Tangible Property List
3. Summary Control
4. Statement of Land Changes and Land Identification Maps
5. Schedules of Leased Equipment
6. Such other information as is hereinafter directed or as may be from time to time requested by the Board.

Except as noted below, all parts of the property statement shall be filed not later than *March 1st* of each year. When there is nothing to report on a portion of the property statement, the state assessee must submit the appropriate form marked "NONE." Failure to respond to all parts of the Property Statement may subject the assessee to the penalties of section 830 of the Revenue and Taxation Code.

Cellular communications companies whose properties lie entirely within the limits of one county are **not** required to file a Summary Control.

To meet unusual situations, exceptions to the requirements of these instructions may be granted in writing by the Chief of the Valuation Division.

The Board, for good cause, may grant extensions as follows:

1. Up to 45 days for parts of the property statement relating to development of unitary value indicators. This includes all financial schedules, the summary control, and any supplemental data requested by the Board. It also includes studies and other voluntary information that the assessee believes affects the value of their property.
2. Up to 30 days for parts of the property statement describing specific operating or nonunitary property. This includes Tangible Property Lists, Derivation of Unit Costs, Statements of Land Change and Land Identification Maps, and Schedules of Leased Equipment.
3. An additional 15 day extension may be granted for either category above upon the showing of extraordinary circumstances which prevent filing the statement within the first extension.

Supplemental reporting instructions may be issued to individual companies when additional data is needed or to clarify these instructions concerning specific issues. These supplemental instructions will be mailed at least 20 days prior to the extended reporting deadline.

Portions of the State Constitution, Revenue and Taxation Code, and other codes have pertinent information relating to the instructions contained in this publication. All of the codes and portions of the State Constitution pertaining to property tax laws are contained in a publication of the State Board of Equalization titled "Property Taxes Law Guide." This publication may be purchased from the State Board of Equalization, Publications Order Desk, 3920 West Capitol Avenue, West Sacramento, CA 95691. This publication and all other property statement forms and publications may be obtained from the Internet site of the Board of Equalization at **[www.boe.ca.gov](http://www.boe.ca.gov)**.

*All information provided in the Property Statement declaration is subject to audit.*

## **B. Declaration of Costs and Other Related Property Information (form BOE-517-WT)**

This property statement must be signed by the owner or partner of the business, a duly appointed fiduciary, or an agent. When signed by an agent or employee other than a member of the bar, a certified public accountant, a public accountant, or a duly appointed fiduciary, the assessee's written authorization of the agent or employee to sign the statement on behalf of the assessee should be on file with the Valuation Division. The entry on the line "title" should clearly indicate whether or not written authorization is required to be filed with the Board.

In the case of a corporation, the property statement must be signed by an employee or agent whom the board of directors has designated in writing (other than those excepted above), by name or by title, to sign such statements on behalf of the corporation, or by an officer of the corporation. The board of directors may appoint a person or persons to designate such employee or agent. The name of the corporation should be entered on the line provided.

*Sign the property statement in accordance with the requirements listed above. Title 18, section 172 of the California Code of Regulations provides that statements not properly signed have not been properly submitted.*

### **1. Statement of Authorization.**

In the cases where a company is assigning an agent or authorized representative other than the owner or a corporate officer to act as agent for Property Tax matters with the Board of Equalization, a Statement of Authorization (form BOE-892) must be filed with the Valuation Division. The filing must be submitted annually in order for the agent or representative's status to remain current.

### **2. Financial Schedules A to E.**

These schedules shall be used to show the taxpayer's balance sheet, income and expense statement, and such other information as is required on forms (form BOE-517-WT and applicable inserts) supplied by the Valuation Division. All cost amounts should be reported at original cost before depreciation.

## **C. Tangible Property List (TPL)**

### **1. General.**

All *state-assessed* property (owned or used) in California except licensed motor vehicles, other exempt property and land *shall* be listed on prescribed forms known as the Tangible Property List (form BOE-533). The TPL shall accurately describe the property as it exists at 12:01 a.m. on the first day of January. Improvements and personal property shall be listed on the TPL as separate items, which shall be grouped by county and then by location within each county. Each entry on the TPL should include the following data elements:

- a) **Assessee Name**—Each TPL page shall be completed with your company name.
- b) **SBE Number**—Each TPL page shall be completed with your SBE assigned company number.
- c) **County Name**—Each TPL page shall be completed with the county name.
- d) **County Number**—Each TPL page shall be completed with the numerical equivalent for county name. A listing of county names and county numbers is provided in Appendix D.
- e) **Identification Number** (AKA sequence number)—Each TPL item must be assigned an identification number from 1 to 6 digits that is unique for each asset in each county. The **same item** located in the **same county** reported in subsequent years should use the **same identification number**.
- f) **Description**—41 spaces are available to describe each item. Conspicuous structures, such as individual buildings, shall be separately described by giving the type of construction, dimensions, and year of construction. They may be further identified by stating the land parcel on which situated. If situated on land not reported to the Board, sufficient description of the location shall be given to enable identification during field inspection.

- g) **Tax Rate Area**—All items shall be listed in Tax Rate Area order. The general county-wide Tax Rate Area 000 001 00 for unitary property should be listed first. All property carried on the books of the assessee in nonoperating accounts, or classified by the Valuation Division as nonoperating property in the prior year shall be reported by the specific Tax Rate Area where such property is located. See Appendix A for an explanation of Tax Rate Areas.
- h) **TPL Item**—TPL items shall be numbered consecutively beginning with item one to the end of each County. Do *not* start renumbering at the start of each page.
- i) **Amount**—Undepreciated original cost (100 percent of actual cost) shall be associated with each item listed, except certain items of property as hereinafter provided. These costs should be grouped by site location/street address and a county total should be shown on the last page. Include excise, sales and use taxes, freight-in, installation charges, and all other relevant costs. Include finance charges during the period of construction, where applicable, for self-constructed equipment, and construction financing for buildings. Do not include finance charges for purchased equipment or buildings. All costs in the TPL should agree with the cost totals on the TPL Items column of the Summary Control Statement. All costs should be expressed in *whole dollars*. *Items with a net negative book value should not be listed on the TPL unless the item exists physically, and then no amount entry should be shown.*
- j) **Account Prefix**—The account prefix should be one that was selected from the table shown in Appendix B.
- k) **Account Number**—Account number should be those established by your regulating authority (FERC, CPUC, FCC, etc.) using the following format (9999.99). If the account number is unknown, use 9511.00.

## 2. Leased Properties.

Leased properties, excluding licensed motor vehicles, other exempt property, and land reported to the Board for assessment must be included in the TPL. No costs or account numbers need be associated with leased properties. See Appendix E Sample Form BOE-533 item 6. Leased properties should be reported in the county-wide Tax Rate Area 000 001 00. This includes property reported on form BOE-600-A.

## 3. Nonoperating Properties.

All properties carried on the books of the assessee in nonoperating accounts or classified by the Valuation Division as nonoperating property the prior year, must be listed on the TPL and in addition to the above criteria, must be grouped according to the specific Tax Rate Area, where such nonoperating property is located.

## 4. Filing Formats.

- a) **Electronic Format (*Preferred Method*)**—A 3.5 inch floppy diskette should be used to file an electronic TPL. In order to facilitate an acceptable electronic filing, please request an electronic TPL template. To obtain a template and instructions, contact Ms. Adrienne Allen by telephone at 916-324-2794 or by email at [Adrienne.Allen@boe.ca.gov](mailto:Adrienne.Allen@boe.ca.gov). See Appendix E, Sample form BOE-533-E Tangible Property List - Electronic.
- b) **Hand Written Format**—form BOE-533-H is for those companies that complete the TPL filing by hand. The individual squares and heading must be completed in ink. See Appendix F, Sample form BOE-533-H.

Only one of the preceding filing formats is required. A printed copy of the electronic data must accompany electronic filings.

## **D. Summary Control**

This statement, with the exceptions noted below, shall show a summary by accounts of:

1. Costs reported with tangible property list items
2. Cost of land
3. Cost of licensed vehicles
4. Cost in overhead accounts if not spread over other accounts
5. Other costs
6. Accrued depreciation of nonoperating property, other plant and equipment, and licensed motor vehicles.

The Summary Control statement shall be reconciled with the assessee's records as of December 31 last. The total tangible property list items on the Summary Control statement must agree with the totals on the TPL. Land and licensed motor vehicles are not to be included in the TPL.

The form in which the Summary Control shall be prepared is shown in Section II of these instructions.

## **E. Statement of Land Changes**

All land owned or used by state assessees must be reported to the Board. The term "used by" includes properties leased by the state assessee from private parties (Leased) or government agencies (Possessory Interests). The Board may delegate assessment responsibility to local assessors when state assessees use only a small part of a leased property and the taxes are to be paid by a local assessee.

Assesseees that own, lease, or use a fiber optic right of way must report the number of miles of right of way on the Schedule of Fiber Optic Right of Way Miles, form BOE-534-FO.

### **1. General.**

The Statement of Land Changes (SLC), form BOE-551, shall list all lands which have been acquired or disposed of (including partial sales or leases) since the date of the previous property statement. The SLC must be filed with the property statement, or within 60 days of acquisition or disposal, whichever is earlier. State assesseees filing a property statement for the first time must file an SLC for each land parcel in which they have an interest. The SLC must be completed in its entirety. If a section of the SLC does not apply to the parcel being reported, it should be marked "Not Applicable" or "N/A." If no transactions involving land have occurred since the last property statement, an SLC should be filed marked "None" or "No Changes."

The SLC requests the following information:

- a. Tax Rate Area.
- b. Map and parcel numbers (see Land Identification Maps).
- c. Area (acres or square feet) of parcel, or mileage if a right of way parcel.
- d. Both old and new parcel numbers in the case of reparablelling.
- e. Name and address of grantor or grantee (lessor or lessee if leased land).
- f. Type of instrument and date of agreement.
- g. Recording reference and date.
- h. Description of improvements included.

- i. The consideration (if any).
  - 1. Purchase price
  - 2. Sales price
  - 3. Monthly/Annual rental at start of lease
  - 4. Current rental
- j. County assessor's parcel number.
- k. Lease information.

## **2. Leased Properties.**

In the case of a new lease, a description of the terms of the lease shall be given, including the amount of the current rental, the term of lease, and renewal options, if any. If the terms of the lease are complex, or cannot be fully described in the space provided, attach a copy of the lease. Leased properties include property leased to or from another person. The improvements being leased shall be itemized. A copy of the building plan should be included for newly leased structures.

Whenever there is a renewal of the lease on real property which is reported to the Board, an SLC shall be filed with the Valuation Division. A brief description of the terms of the renewal shall be given, including the amount of the rental and the new expiration date. The SLC should be clearly marked "Lease Renewal."

Legal parcels which are entirely leased (100%) by a state assessee must be reported to the Board on a Statement of Land Changes (form BOE-551). Three copies of land identification maps must be included.

If one state assessee (sublessee) leases property from another state assessee, the sublessee is not required to file a Statement of Land Changes (form BOE-551). However, the sublessee shall include the property on the Wireless Communications Sites (form BOE-516) that is filed with the Property Statement.

A ground lease for a portion of a legal land parcel (partial lease) for facilities such as cellular telephone sites, microwave sites (passive or active), repeater sites, substations, etc., shall be reported.

A ground lease for a portion of a legal land parcel (partial lease) for a regeneration site or for a communications tower in which the equipment is located within a portion of a building should not be reported unless the leased portion is from a tax exempt lessor (possessory interest).

A ground lease for wireless tower sites that are used but not owned by state assesses on which property taxes are paid by a local assessee do not require a SLC to be filed.

A lease of a portion of office or commercial space within an existing building, roof-top space for communications equipment, or vault space within an existing privately owned communications facility (partial leases) should not be reported unless the leased portion is from a tax exempt lessor. State assessee owned or used equipment at these locations is accessible and shall be reported on the TPL.

## **3. Possessory Interests.**

Taxable possessory interest means a possessory interest in nontaxable publicly owned real property, as such property is defined in section 104 of the California Revenue and Taxation Code, and in taxable publicly owned real property subject to the provisions of sections 3(a), (b) and 11, Article XIII of the Constitution. For further definitions of possessory interests see Property Tax Rule 20, Title 18, California Code of Regulations. It should be noted that the partial lease provisions of item 2 above do not apply to possessory interests.

In listing a possessory interest in a parcel owned by a tax-exempt government agency, the name of the agency shall be shown, and the expiration date of the agreement shall be stated. If the possessory interest is derived from a permit or license, the area (or length) and type of use must be stated.

## **4. Partial Interests.**

The following variations are applicable to particular kinds of partial interests in land:

- a. In listing an undivided interest in a parcel, the total area of the parcel shall be shown, together with the nature and extent of the assessee's interest, and the names of the other owners.



- b. In listing a special interest in a parcel, such as oil rights only, or a full interest except for oil rights, the nature and extent of the interest shall be shown.
- c. In listing water rights, descriptions shall include the name of the granting agency, the tax situs, the quantity of water use allowed by the water right, the use to which the water will be put, and any other information deemed necessary. The Land Identification Map and parcel number shall be shown if the situs is at a parcel.
- d. In listing miscellaneous rights in land not covered above, the rights shall be fully described.

## **5. Nonoperating Land Parcels.**

Land parcels that are carried on the books of the assessee in nonoperating accounts, or that were classified by the Valuation Division as wholly or partially nonoperating the prior year must be reported by Tax Rate Area. If the Tax Rate Area code differs from that of prior year, the change must be reported to the Board. If a changed Tax Rate Area boundary splits an existing nonoperating parcel, the parcel must be split accordingly, and a new parcel map filed. The standard SLC shall be used for this type of transaction. If the changed Tax Rate Area boundary encompasses an entire parcel, only the changed Tax Rate Area code number need be reported. A special SLC (form BOE-551-TRA) may be used to report this change, and no new map need be filed.

## **6. Land Identification Maps.**

Each statement of land changes, except those related solely to a rental increase or a rental extension, shall be accompanied by Land Identification Maps (Maps). Land Identification Maps shall be filed in triplicate, with the name of the company and the name of the county on each map. The Map shall be assigned map and parcel numbers as outlined below. Each Map shall show such information as will clearly describe and locate the property with respect to:

- Officially established lines such as section lines, parcel lines, parcel centerlines and intersection lines.
- Reference points shown on maps of record such as township and range.
- Assessor parcel number as it pertains to the parcel being reported.

This information shall include, if necessary, legal descriptions or references to maps filed with the county recorder under the provisions of Division 3, commencing with section 66499.50 of Title 7 of the Government Code. Maps showing information other than land location matters may be used, but such other information will not be considered a part of the description for purposes of assessment.

When Maps are prepared, they shall be 20" x 30" in overall dimensions, with a 1-3/4" margin on the left 20" side. The scale of the map and the direction of North shall be shown on all Maps. Previously prepared maps, such as Interstate Commerce Commission valuation maps, will be accepted up to a maximum overall size of 24" x 56". County assessor's parcel maps will be acceptable, provided they meet the previously stated tests for clarity of description, and if they have the parcel being described clearly delineated.

Land Identification Maps shall be assigned a three part number; for example, 872-34-6B or 1284-34-7. In the first example, 872 is the SBE number assigned to the assessee; 34 is the code number of the county, being the county's position in an alphabetical tabulation of counties; 6 means that the Map is number 6 in a series of Maps for that county; 6B indicates that changes occurred as shown on Map 6 after it was originally filed, requiring reparcelling as shown in Map 6A, and further reparcelling as shown on 6B. Parcel numbers shall be assigned consecutively beginning with Parcel 1 for each map. Parcel numbers shall restart with number 1 on each subsequent revision to the base map.

*Each new map showing the reparcelling of parcels on a previously filed map shall be given the same number as the original map with the suffix "A" (or "B", "C", etc., when more than one supplementary map is filed). No land which remains correctly described by the original map shall be shown as parcels on the new map with the suffix.*

Each nonoperating parcel shall be entirely within one Tax Rate Area, and no parcel shall extend beyond the limits of one map. It is not necessary to show Tax Rate Area numbers on the map. A map may contain more than one parcel in the same county. Maps of nonoperating parcels may contain more than one Tax Rate Area, as long as each parcel is totally included in one Tax Rate Area. Additional parcels cannot be shown using the same map number in a subsequent year; letter suffixes must be added.

Maps shall not be refiled annually. New maps shall be filed only under the following circumstances:

- a. When it is necessary to show new parcels acquired subsequent to the prior year lien date property statement.
- b. When new parcelling of previously reported parcels is necessary; for example, new Tax Rate Area boundary lines splitting a nonoperative parcel, or when a portion of a previously reported parcel is disposed of. In the latter case, only the portion retained is to be shown on the new map.

Changes such as disposal of an entire parcel, changes in the non-fee status that do not affect the boundaries of the parcel, lease renewals, etc., do not require the submission of new maps, and new maps will not be accepted under these circumstances.

When a new parcel is acquired that is contiguous to an existing parcel, it is desirable to consolidate the parcels into one (providing they are in the same Tax Rate Area if nonoperative). At other times it may be desirable to consolidate or modify parcel boundaries or descriptions. In these cases, the Valuation Division should be contacted in advance.

*Any deviations from the above standards must be approved by the Valuation Division in advance, and in writing.*

## **F. Schedule of Intangible Information**

The Schedule of Intangible Information, form BOE-529-I, shall be used to declare intangibles. If intangibles are declared, they should be itemized and include a corresponding value. The basis of each value should also be described on the form.

If no intangibles are declared, check the box titled **No Reportable Intangibles**, or mark the “N/A” box on the front of the form BOE-517 indicating nothing to be reported.

## **G. Schedule of Leased Equipment**

Personal property or equipment in the possession of the assessee which is rented or leased is to be reported on forms BOE-600-A or BOE-600-B. All equipment which the state assessee (lessee) is obligated by the terms of the lease to report for ad valorem tax purposes shall be listed on form BOE-600-A. Equipment for which there is not a written understanding between the state assessee and the lessor as to which one is to report the property for assessment shall also be included on form BOE-600-A. Property leased from an entity described in Revenue and Taxation Code section 235 (financial corporation) must be reported on **form BOE-600-A** notwithstanding the terms of the lease with respect to payment of the property taxes. *All equipment listed on form BOE-600-A is also to be included in the Tangible Property List.*

All equipment which, either by the terms of the lease or by a written understanding between the state assessee and the lessor, except as noted above, that the lessor is to report to the local assessor for assessment to the lessor, shall be reported on form BOE-600-B and shall NOT be included in the Tangible Property List. Forms BOE-600-A or B for reporting leased personal property or equipment may be obtained from the Valuation Division.

Additional instructions are printed on the reverse side of each form.

## H. Fiber Optic

### 1. Miles of Right of Way

form BOE-534-FO, ***Schedule of Fiber Optic Right Of Way, Conduit, and Cable***, should be used to report annually to the Valuation Division the number of miles of California fiber optic right of way (ROW)/ easements. The assessee is not required to report fiber optic ROW on form BOE-551, ***Statement of Land Changes***. Please contact Mr. Daniel Sakai at 916-324-2968 if you need assistance completing this form.

For purposes of this publication, right of way is defined as any land or partial interest in land owned or used for the purpose of laying or placing fiber optic cable in order to transmit voice, data, or video signals. The term “used by” shall include land leased by a state assessee from private parties (leased) or government agencies (possessory interest). A right of way is created when fiber optic cable is installed on a pole, buried in the ground or laid on the surface of the ground.

If you do not own or use any fiber optic ROW, check the box titled ***No Property Interest***, on form BOE-534-FO.

When completing form BOE-534-FO, the following information should be provided.

- Lien date (year)
- Assessee Name
- SBE Number assigned to your company
- Number of miles, by county, of public ROW located in a public street or highway
- Number of equivalent miles, by county, of private shared ROW. Refer to instructions on form BOE-534-FOS, ***Supplemental Schedule for form BOE-534-FO***. The information on this form is necessary in order to properly assess partial interest in private shared ROW. Complete form BOE-534-FOS and transfer the calculated total number of equivalent miles, by county, to form BOE-534-FO, column 2.
- Number of miles, by county, of private ROW (Not Shared) and any taxable possessory interest (PI) not located in a public street or highway.
- Number of miles of local assessed ROW, by county
- Total number of miles, by county
- Grand total of California ROW miles

Provide one copy of a ROW route map in sufficient detail to locate on the ground. This is not a request for assessor parcel maps. All maps should be to scale to allow verification of the miles of ROW. Most internal company “As Built” drawings (maps) or route maps will fulfill this reporting requirement.

### ***Classification of Fiber Optic Right of Way***

Each mile of ROW shall be classified as public, private shared, private not shared, or locally assessed.

ROW located above, below, or along a public street or highway shall be classified as public. ROW assessed by the county assessor with the larger parcel from which the easement originated shall be classified as locally assessed. Private ROW shall be any remaining miles. Private ROW cost should be reported on Schedule B of the form BOE-517 with the account number used by the company to identify the cost.

Report only permanent ROW. Do not report any temporary parcels used for construction of the fiber optic system.

All miles are route (not fiber) miles and should be the total linear miles in, on, or along the ground. Do not include any miles located in a building.

For reporting purposes, report only owned ROW. Do not report ROW used for fiber swaps and exchange of capacity.

The following table should be used as a general guideline in classifying ROW. It does not represent a complete list of the numerous and varied land rights and agreements. Please check with your engineering and/or real estate staff for assistance in classifying ROW miles.

Type of Property	Public Street/Hwy	Private Shared	Private Not Shared	Locally Assessed
Fee Simple		YES	YES	
Leased		YES	YES	
ROW and Easement Agreement		YES	YES	
Taxable PI ( <i>in public street or hwy</i> )	YES			
Taxable PI ( <i>not in public street or hwy</i> )			YES	
ROW/Easement Valued by County Assessor ( <i>Value of ROW/easement is included in the value of the larger parcel from which the easement originated</i> )				YES
Indefeasible Right to Use (I.R.U.) Agreement	YES	YES		
Fiber Swaps or Exchange of Capacity Agreement ( <i>Report owned ROW only. Do not report used ROW.</i> )		YES	YES	

Form BOE-534-FOS, Supplemental Schedule for form BOE-534-FO, should be used to calculate the number of equivalent miles, by county, of private shared ROW.

## 2. Miles of Conduit

Form BOE-534-FO should be used to report annually to the Board the number of California miles of conduit owned or used by a state assessee. If an assessee possesses two or more conduits in the same right of way, the miles reported shall reflect the total linear miles of conduit.

The following information should be reported on form BOE-534-FO for Miles of Conduit.

1. Lien date (year)
2. Assessee Name
3. SBE Number assigned to your company
4. Total number of miles of conduit, by county, in California
5. Total number of miles of conduit in California

If a state assessee does not own or use any fiber optic conduit, that portion of the form should be marked "Not Applicable", "N/A", or "None" and returned with the property statement.

## 3. Miles of Cable

Form BOE-534-FO should be used to report annually to the Board the number of California miles of fiber optic cable owned or used by a state assessee. If an assessee possesses two or more fiber optic cables in the same right of way, the miles reported shall reflect the total linear miles of fiber optic cable.

The following information should be reported on form BOE-534-FO for Miles of Cable.

1. Lien date (year)
2. Assessee Name
3. SBE Number assigned to your company

<sup>1</sup> Taxable costs to date, less nontaxable preliminary engineering and less any other nontaxables such as prepayments for out-of-state equipment.

4. Total number of miles of fiber optic cable, by county, in California
5. Total number of miles of fiber optic cable in California

## **I. Miscellaneous Information**

### **1. Stockholder's Reports and Reports to Regulatory Agencies.**

Copies of reports to stockholders and reports to regulatory agencies shall be submitted to the Valuation Division as set forth in the instructions to state assessees included with Property Statement form BOE-517.

### **2. Foreign Improvement Lists.**

Each state assessee shall annually file a statement attesting to the separate ownership of improvements located on land owned by the assessee, with the assessor of each county where such property is located, and shall furnish a copy of the statement to the Valuation Division.

### **3. Construction Work in Progress.**

Construction Work in Progress (CWIP) should be reported as follows:

- a. Preliminary Engineering Costs as Part of Taxable CWIP—Preliminary Engineering Costs are those costs incurred prior to the commencement of a construction project such as feasibility studies, architectural drawings, and engineering studies. Preliminary Engineering Costs may also include architectural and engineering costs incurred during the construction phase of the project, providing they relate to the overall project rather than to the portion of the project currently being constructed. These costs should be metered in as part of taxable CWIP based on the percentage of completion as of January 1. Ideally, this completion percentage should be based on an engineering estimate. However, if an engineering estimate is not obtainable, a completion percentage based on the incurred costs of construction including overhead to January 1, divided by the estimated total costs for the project will be accepted.
- b. Overhead Costs as Part of Taxable CWIP—The reported amount for CWIP should include the proper loading for Overhead Costs. Overhead Costs are indirect labor, injuries and damages, taxes, general and administrative expenses, and overhead loading such as Allowance for Funds Used During Construction (AFUDC). The reported CWIP for California is considered to be properly loaded with its respective amount of taxable Overhead Costs when:
  1. The taxable overhead costs are traceable to the taxable property; or
  2. The taxable CWIP is loaded with its proportionate share of Overhead Costs based on the percentage of the job's incurred taxable costs including the metered in Preliminary Engineering Costs to the total expenditures as of the lien date. This percentage is expressed as:
 
$$\frac{\text{Taxable costs to date before overhead loading}^1}{\text{Total costs to date before overhead loading}}$$
- c. CWIP should be reported in two categories:
  1. CWIP representing construction of new facilities
  2. CWIP representing replacement of existing facilities

If precise dollar amounts for the two categories of CWIP are not available, percentages may be reported with an explanation of how the percentages were derived.
- d. All CWIP must be included in the TPL.

### **4. Book Cost.**

The book cost of an asset should include all the capitalized costs of placing an asset into service. These costs include but are not limited to:

- a. Purchase price.
- b. Sales and use taxes.
- c. Transportation charges.
- d. Installation charges.
- e. Construction period finance charges.
- f. Construction period opportunity costs.
- g. Engineering and design costs.

If the book cost being reported does not include these capitalized costs or other capitalized costs that were incurred in order to place assets into service, report such costs on a separate schedule.

If any of the costs referred to above are being expensed, report such costs on a separate schedule.

*Self-constructed equipment and buildings:*

The book cost of self-constructed equipment and buildings should include all the costs referred to above. The book cost should be the cost that an unrelated party, bearing the full economic burden, would charge to place an asset into service on a turnkey basis. If any of these costs were not incurred as a cash expenditure, impute an economic (prevailing rate at the time of construction) dollar amount and report such amounts on a separate schedule.

## **5. Average Inventories.**

If property is held for resale, report the average inventory of such property for the prior calendar year as well as year end balances.

## **6. Working Cash.**

Report estimated working cash necessary for operations based upon the latest lead/lag studies required by the most recent rate cases. Should no current lead/lag study be available, report estimated working cash by other appropriate or generally accepted practices. In either instance, detailed analysis of how the estimate was derived should be included.

## **7. Exempt Software**

Pursuant to Revenue and Taxation Code section 995, storage media for computer programs, such as hard drives, shall be valued for property tax purposes as if there were no computer programs on such media other than basic operational programs. In other words, computer programs other than basic operational programs are not subject to property tax. Revenue and Taxation Code section 995.2 defines the term "basic operational program." All software programs not considered "basic operational programs" may be referred to as "exempt software programs" or "nontaxable programs." It is the assessee's responsibility to identify and remove all exempt software program costs from taxable accounts and report these costs separately to the Board of Equalization on the Schedule B and Summary Control portions of the Property Statement.

All reported costs of exempt software programs are subject to audit. In support of an assessee's claimed software exemption, Property Tax Rule 152 (f) states, "A person claiming that a single-price sale or lease includes charges for nontaxable programs and services should be required to identify the nontaxable property and services and supply sale prices, costs or other information that will enable the assessor to make an informed judgment concerning the proper value to be ascribed to taxable and nontaxable components of the contract." *Other information* can include, but is not limited to, a detailed study from the manufacturer of the equipment. Property Tax Rule 152 (e) also states, in part, "the assessor, lacking evidence to the contrary, may regard the total amount charged as indicative of the value of taxable tangible property."

## ***II. Specific—Wireless Companies***

### **A. General.**

This section of these instructions is designed to supplement and enhance the general instructions contained in Section I. Each assessee is required to report **all** parts of the property statement, unless specific instructions to the contrary are contained in this section. In those cases where there are apparent conflicts between Section I and II, Section II shall prevail. In this manner, the specific requirements for each industry type can be identified.

For purposes of reporting to the Board, wireless communications companies shall be subdivided into two groups; Wholesale Providers and Retail Providers. Wholesale Providers are those wireless operations, licensed by the FCC that actually provide the physical plant (e.g., switches, cell sites, etc.) for operating a wireless communications system. Wholesale Providers may also offer wireless services to the public. Retail Providers are those companies who, acting as agents (or with other authorization), offer wireless services to the public, but who use the physical plant of FCC licensees.



## B. Summary Control—Wireless Carriers.

**Retail and Wholesale Providers.** The following tabulation shows the form in which the Summary Control shall be prepared. The accounts listed are those prescribed by the Federal Communications Commission for Wireless Carriers. The x's opposite the accounts indicate the segregation of the amounts carried therein to the classes shown in the column headings.

ACCOUNT NUMBER	ACCOUNT NAME	TANGIBLE PROPERTY LIST ITEMS	LAND	LIC. VEH.	OVER HEADS	OTHER COSTS	TOTAL
300	Land		X				X
302	Buildings	X					X
304	Leasehold Improvements	X					X
305	Antennae	X					X
306	Power Equipment	X					X
307	Switching Equipment	X					X
308	Base Site Controller	X					X
309	Towers	X					X
310	Radio Freq. Channel Equipment	X					X
312	Transmission Equipment	X					X
314	Vehicles			X			X
316	Tools and Work Equipment	X					X
318	Office Furniture and Equipment	X					X
122	<b>Subtotal</b>	X	X	X	X	X	X
123	Wireless Plant Under Construction	X	X	X	X	X	X
124	Wireless Comm. Property Held for Future Use	X				X	X
125	Wireless Comm. Plant Acquisition Adjustment	X					X
130	Property and Other Assets	X	X			X	X
106.1	M & S Cellular Comm. Op.	X					X
106.3	M & S Common Op. & Non. Op.	X					X
	<b>Grand Total</b>	X	X	X	X	X	X



### ***III. Appendices***

#### **Appendix A. Tax Rate Areas.**

Each county in California is divided into taxing districts, or a combination of taxing districts called Tax Rate Areas. Each Tax Rate Area within a county is assigned a unique Tax Rate Area number in that county. The Tax Area Services Section (TASS) of the Assessment Policy and Standards Division defines the boundary of all Tax Rate Areas and assigns the Tax Rate Area numbers. The purpose of the Tax Rate Areas is to determine the property tax amount by applying a specific tax rate, corresponding to the Tax Rate Area where the property is located, to the assessed value of that property.

Tax Rate Area maps are available for use by the taxpayer at the Board headquarters office in Sacramento, or a taxpayer may inspect the maps at the local assessor's offices. Copies of these maps may be purchased from TASS.

Information regarding the Tax Rate Area number for a specific location can be obtained from TASS for a small fee. A subscription service is available for users. Any questions or requests should be directed to TASS by contacting Tax Area Services Section, PO Box 942879, Sacramento, California, 94279-0059, or by telephone at 916-322-7185.

#### **Appendix B. Account Prefixes**

<b>Prefix</b>	<b>Description</b>
C	Common
D	Private Rail Cars
E	Electric
G	Gas
M	Radio Common Carriers
P	Pipelines
S	Steam
T	Competitive Local Exchange Carriers
T	Competitive Access Providers
T	Interexchange Resellers
T	Interexchange Telephone
T	Local Exchange Telephone
T	Wireless
R	Railroads
W	Water

## Appendix C. List of Available Publications

Prefix	Description
67EG	Electric Generation Companies
67GE	Gas and Electric Companies
67LE	Telephone Companies—Local Exchange Carriers
67PL	Intercounty Pipelines and Watercourses
67RC	Telephone Companies—Radio Common Carriers
67RF	Railcar Maintenance Facilities
67RR	Railroad Companies
67TC	Telecommunication Carriers
67TR	Telecommunication Resellers
67WT	Telephone Companies—Wireless

Copies of the above listed publications may be obtained by writing to:

State Board of Equalization  
Valuation Division  
PO Box 942879  
Sacramento CA 94279-0061

Or by logging on to the Board of Equalization Internet site at [www.boe.ca.gov](http://www.boe.ca.gov).

## Appendix D. List of California Counties

COUNTY NUMBER	COUNTY NAME	COUNTY NUMBER	COUNTY NAME
1	ALAMEDA	30	ORANGE
2	ALPINE	31	PLACER
3	AMADOR	32	PLUMAS
4	BUTTE	33	RIVERSIDE
5	CALAVERAS	34	SACRAMENTO
6	COLUSA	35	SAN BENITO
7	CONTRA COSTA	36	SAN BERNARDINO
8	DEL NORTE	37	SAN DIEGO
9	EL DORADO	38	SAN FRANCISCO
10	FRESNO	39	SAN JOAQUIN
11	GLENN	40	SAN LUIS OBISPO
12	HUMBOLDT	41	SAN MATEO
13	IMPERIAL	42	SANTA BARBARA
14	INYO	43	SANTA CLARA
15	KERN	44	SANTA CRUZ
16	KINGS	45	SHASTA
17	LAKE	46	SIERRA
18	LASSEN	47	SISKIYOU
19	LOS ANGELES	48	SOLANO
20	MADERA	49	SONOMA
21	MARIN	50	STANISLAUS
22	MARIPOSA	51	SUTTER
23	MENDOCINO	52	TEHAMA
24	MERCED	53	TRINITY
25	MODOC	54	TULARE
26	MONO	55	TUOLUMNE
27	MONTEREY	56	VENTURA
28	NAPA	57	YOLO
29	NEVADA	58	YUBA

TANGIBLE PROPERTY LIST - ELECTRONIC

Appendix E. Sample Form BOE-533-E Tangible Property List - Electronic

1 of 1

TANGIBLE PROPERTY LIST

ABC Telephone Company

SBE Number	County Number	Ident Number	Description	TRA	Item	Amount	Account Prefix	Account Number
2999	43	124252	Building, Santa Clara	100	1	527,000	T	302.00
2999	43	123481	Leasehold Improvements, Santa Clara	100	2	7,500	T	304.00
2999	43	154721	General Purpose Computers, Santa Clara	100	3	25,000	T	2124.00
2999	43	162738	Aircraft, Santa Clara	100	4	150,000	T	2113.00
2999	43	172635	Furniture and Office Equipment, Santa Clara	100	5	25,000	T	318.00
2999	43	186573	Imp. on Map 2999-43-001 par 3 LSD	100	6		T	
43 Total						734,500		
Grand Total						734,500		

2003  
(year)2007  
(year)

COUNTY TOTAL				7	3	4	5	0	0
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